DOCUMENT RESUME

ED 326 277 JC 910 011

AUTHOR Ramirez, Kevin M.
TITLE Economic Development and the Role of Community Colleges: Contract Education in Review.
INSTITUTION California Association of Community Colleges, Sacramento.
PUB DATE Nov 89
NOTE 32p.
AVAILABLE FROM California Association of Community Colleges, 2017 "O" St., Sacramento, CA 95814 ($6.00 each for 1-5 copies; $5.00 each for 6 or more copies).
PUB TYPE Collected Works - Serials (022) -- Tests/Evaluation Instruments (160)
JOURNAL CIT Community College Issues; v2 n1 Nov 1989

EDRS PRICE MF01 Plus Postage. PC Not Available from EDRS.
DESCRIPTORS College Role; *Community Colleges; Cooperative Programs; *Economic Development; Educational Needs; *Job Skills; *Job Training; *Labor Force Development; Private Financial Support; Questionnaires; *School Business Relationship; State Surveys; Two Year Colleges; Vocational Education
IDENTIFIERS *California

ABSTRACT

Many California community colleges are accepting the challenge of their vital role in economic development through contract education (i.e., the process of entering into partnerships with business, government, and industry at the work site to assist employer training). Employer-based education and training is generally contracted in one of six ways: (1) employer-funded credit courses not open to the public and referred to as "closed credit"; (2) average daily attendance (ADA) funded credit courses open to the community at large; (3) certificate or degree programs offered on a closed credit or ADA basis; (4) not-for-credit customized training funded by the employer; (5) special topic or umbrella courses; and (6) non-credit offerings funded at a reduced ADA rate. In a study of contract education conducted by the San Bernardino Community College District, 107 California community colleges were contacted to gather information regarding the age of the program, number of contracts, enrollment, kinds of offerings, faculty participation and compensation, collective bargaining, advantages, and disadvantages. Responses from 89 colleges (84%) revealed that the majority of the programs were less than 5 years old, served less than 15 businesses, enrolled less than 300 students, and were staffed by full-time faculty. Cited benefits for the colleges included enhanced faculty and curriculum development and increased income, while the benefits for business included cost effective and convenient quality education and training. Detailed survey results and the survey instrument are appended. (JMC)

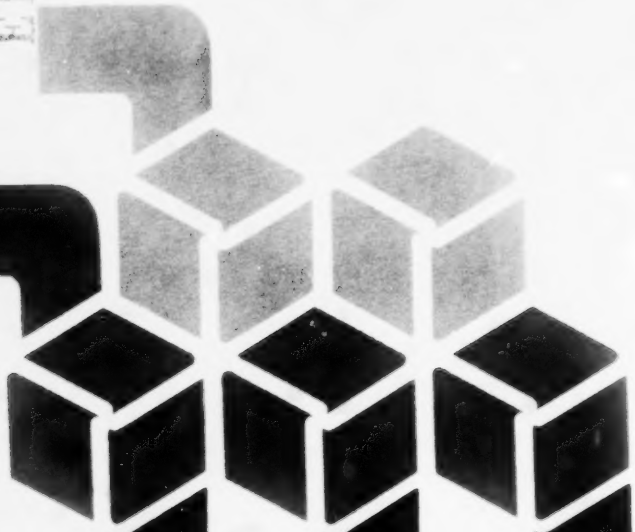
****
* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *
****

Volume 2, Number 1
November 1989

Community College Issues

Economic Development and the Role of Community Colleges

Contract Education in Review



CACC

Commission On Instruction

Task Force on Economic Development

ED 322727

U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

This document has been reproduced as received from the person or organization originating it.

X Minor changes have been made to improve reproduction quality.

• Points of view or opinions stated in this document do not necessarily represent official OERI position or policy.

"PERMISSION TO REPRODUCE THIS MATERIAL IN MICROFICHE ONLY HAS BEEN GRANTED BY

C.J. Smith

TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)"

Kevin M. Ramirez
Senior Author

JC 910011

California Association of Community Colleges

THE CALIFORNIA ASSOCIATION OF COMMUNITY COLLEGES is an institution-based, nonprofit, voluntary state association organized for the purposes of representing the interests of the community and junior colleges of California. The Association supports California's local community colleges in the pursuit of their goals and promotes community college education by providing leadership and service. It fulfills its mission by: (a) developing policy recommendations, supported by appropriate research, on issues of importance to community colleges at the local, state, and national levels, (b) advocating to governmental bodies the policies determined to be in the best interests of community college education, (c) assisting member institutions in developing and promoting solutions to problems of local concern, (d) facilitating the efforts of institutions, segments, organizations and agencies to work and speak cooperatively on behalf of the California community colleges, (e) informing members of the community college community and the general public of current issues and research in community college education, (f) coordinating and regulating intercollegiate athletics on behalf of California's Community Colleges, and (g) developing human and financial resources to aid the member institutions and the Association to enhance community college education.

COMMUNITY COLLEGE ISSUES
Volume 2, Number 1, November 1989

Copyright © 1989 by CACC PRESS

COMMUNITY COLLEGE ISSUES is a series of research and policy papers, published by CACC Press, Publishers, and sponsored by the California Association of Community Colleges. Single issues are available at $6.00 for 1-5 copies, and $5.00 for 6 or more copies.

Copyright under International, Pan American, and Universal Copyright Conventions. All rights reserved. No part of this volume may be reproduced in any form — except for brief quotation (not to exceed 100 words) in a review or professional work — without permission in writing from the publisher.

Subscriptions, single-issue orders, change of address notices, undelivered copies, and other correspondence should be sent to: COMMUNITY COLLEGE ISSUES SUBSCRIPTIONS, California Association of Community Colleges, 2017 "O" Street, Sacrameto, California 95814. Editorial correspondence should be sent to Cindra J. Smith, Editor-in-Chief, at the above address.

Cover Design by Neta Fox

Manufactured in the United States of America

COMMUNITY COLLEGE ISSUES
Volume 2, Number 1
November, 1989

ECONOMIC DEVELOPMENT AND THE ROLE OF COMMUNITY COLLEGES: CONTRACT EDUCATION IN REVIEW

California Association of Community Colleges
Commission on Instruction
Task Force on Economic Development

SENIOR AUTHOR

Kevin M. Ramirez
Los Rios Community College District

CONTRIBUTING AUTHORS
Catherine Ayers
Foothill-DeAnza Community College District
John Baker
Ohlone College
Dorothy Bray
College of the Desert
Diane Carey
Napa Valley College
Linda Cubbage
Santa Clarita Community College District
Jack Fujimoto
Los Angeles Community College District
Sandra Mellor
College of San Mateo
Cindra J. Smith
California Association of Community Colleges
Dagne Tedla
City of Sacramento, Office of Economic Development
Mary Lou Zoglin
Coastline Community College

Survey Conducted by:
Norman Smith
Office of Planning and Research
San Bernardino Community College District

CACC PRESS
SACRAMENTO, CALIFORNIA
Cindra J. Smith
Editor-In-Chief

TABLE OF CONTENTS

	Page
ACKNOWLEDGEMENTS	ii
PREFACE	iii
EXECUTIVE SUMMARY	1
INTRODUCTION	3
WHAT IS ECONOMIC DEVELOPMENT	3
WHY SHOULD COLLEGES BE INVOLVED	4
WHAT IS CONTRACT EDUCATION	5
SURVEY OF CONTRACT EDUCATION	6
BENEFITS OF CONTRACT EDUCATION	6
ISSUES, IMPLICATIONS, AND FUTURE CONSIDERATIONS	8
CONCLUSION	9
REFERENCES	10
EXHIBIT 1, SURVEY OF COMMUNITY COLLEGES	11

ACKNOWLEDGEMENTS

The authors wish to acknowledge the help of Virginia Holten, Rae Berry,Tom Harris, Lois Callahan, Diana Lockard and JoAnn Prescott. Special appreciation is extended to Monika Bates and Kathy Read, Los Rios Community College District, for word processing and editing.

PREFACE

Economic development in California is everybody's business. It no longer belongs in the isolated realm of business and industry. Why? Because the "skills gap" we are facing in California has created a need for public and private sectors in business and education, to work together to train the workforce of tomorrow.

The State of California's ability to compete is threatened by inadequate investment in our most important resource: people. Put simply, too many workers lack the skills to perform more demanding jobs. The state has lost ground to international competitors, and investing in people is the way to retake that place. After years of neglect, the problem of human capital has become a crisis.

If a higher quality of worklife is to become a reality for millions of Americans, perhaps the most fundamental emerging truth is that higher and more comprehensive skills of analysis and problem solving must be developed, and not only bY the students entering, but also by the middle two quarters of the work force. More sophisticated manual and conceptual skills will be in demand, and the work force will be pushed continuously to handle a broader range of work and people requirements. Tasks once reserved for B.A. and advanced degree performers will be assumed by those with fewer years of education and training. All workers will find it essential to learn throughout their careers in order to remain useful and employed.

The shift from an agricultural society to an industrial society took about 100 years. But the current movement from an industrial to an informational society is taking place so rapidly, there is little time for reaction. The information society is a hard, here and now reality. Between 9000 and 10,000 scientific articles are written every day. Technical information is doubling every three years. The effect? Our society will always need workers at every level, with more education, better people skills, an ability to analyze and act.

Broad technology and not **high** technolgy will characterize the main influences for the development of our nation's workforce in the future. Broad based technicians will act as the force that holds together the thousands of potentially isolated elements in our work world. They will be the individuals who not only understand underlying principles, but also who have the ability to apply what they have learned. The development of this kind of worker will require some new programs and new approaches to education and building partnerships within our communities.

The likelihood that there is a system of community colleges anywhere in the world that is more able to respond to the challenge posed by the "skills gap" is very slim. California's community colleges are flexible, affordable, accessible and eager to play a role in preparing the workers of the future, retraining the workers of today, and contributing to the economic development and training activities. Community colleges must be adaptive and creative-they must maintain their ability to identify and move quickly to address the changing needs of society as a whole as well as the needs of our students.

Community colleges have been the avenue of entry for individuals, irrespective of age and preparation to pick up and begin to move forward. In the future, more and more people will take this road. Within ten years, more retired people will need to return to the workforce as the life expectancy increases. And 75% of the workers who will be employed in the year 2000 are already in the workforce. This means **retraining** will be necessary in order to create the trained labor needed to support our economy. As such, community colleges are now redefining our role as one that provides access to local businesses to use us as the resource that we are.

Higher education can no longer pledge allegiance to a natural order of things. Nor can it turn to a unitary natural order to determine its curricular agenda. We may prefer to talk in universals: the student, the university and the order of things. But contemporary faculty and administrators at our community colleges know there is no such thing as "the student", much less "a natural order of things". With the changing demographics and labor market demands, the community colleges must address a new set of "permanent questions."

One such question is the role that the community college should play in the economic development of the State of California. We know we are capable of successfully fulfilling several roles within this realm--but how and where do we start? In an attempt to assess where we go from here, CACC's Commission on Instruction, Task Force on Economic Development, has taken an important step in the development of this paper which reviews the state of the current practice of California's community colleges in fulfilling this role.

It's an exciting future we face, and as we move foreward, the bridges we take the time to build will be critical to our political and economic future. The Commission's Task Force on Economic Development has presented the overview of the background of economic development and current practices. The rest is up to you. As you read this paper, look for the questions we must answer in order to position ourselves to succeed as equal partners in the economic development of our state. Identify the policy issues as well as the specific goals your college needs to develop to activate and/or expand your community college as a player in our state's economic future. We challenge you to build strong educational partnerships in your communities to create a stronger and better California.

Dianne G. Van Hook, Ed.D.
Chair, CACC Commission on
Instruction, 1987-1989,
Superintendent/President,
Santa Clarita Community
College District

EXECUTIVE SUMMARY

The California Association of Community Colleges Commission on Instruction, Task Force on Economic Development has undertaken a review on economic development and provides a rationale for educational partnerships in economic development. Contract education is one of the vehicles used to deliver education and training to business, government, and industry.

Economic development is a widely used term in community college settings. For community colleges, the term refers to our efforts to enhance the process by which public and private sectors mobilizes to produce maketable goods and services through specific educational linkages with business, government and industry.

As a $2.5 billion resource to public and private sector business in the state of California, community colleges play a very important role in meeting the training and development needs of our economy. Economists, the legislature, the Board of Governors of the Community Colleges and the Chancellor's Office support the importance of contract education and economic development efforts.

Contract education, or the process community colleges utilize to enter into partnerships with business, government and industry at the worksite to assist employer training, is defined and expanded upon. There are six delivery modes: employer-funded credit courses (closed credit), ADA funded credit courses (open ADA), certificate and degree programs, not-for-credit courses, special topic or umbrella courses, and non-credit offerings.

The San Bernardino Community College District, on behalf of the CACC Commission on Instruction, conducted a survey of the status of contract education in the California Community Colleges. Eighty-four percent of the colleges responded; seventy-eight percent of those are involved in contract education. The majority of programs are less than five years old, serve less than fifteen businesses and enroll less than three hundred students, and involve their full - time faculty in the program.

The benefits of contract education for colleges relate to improved relationships with the business community, enhanced faculty and curriculum development, and increased income. Benefits for business, government and industry include flexible, cost effective and convenient quality education and training. Employees/students benefit through recieving excellent, relevant training.

The growth of contract education raises a number of issues as the California Community Colleges proceed with contract education and other economic development initiatives. They are course quality and integrity, coordination and unity, faculty compensation, support for growth, interdistrict offerings, and program start-up funds.

The future of the economy of California depends in large part on the community colleges and private and public sector employers' ability to combine community resources in the quest for continuing economic development. California's community colleges are accepting the challenge of their vital role by establishing educational partnerships with business, government, and industry for the economic development of California.

INTRODUCTION

California's community colleges have been important resources for their communities since their inception by contributing greatly to the economic growth of business and industry. However, a new focus on the benefits of educational partnerships has revitalized the role of community colleges in economic development.

In this first paper on the role of the colleges in economic development, the Commission on Instruction of the California Association of Community Colleges provides a background and rationale for educational partnerships for economic development. In addition, it explores contract education, one of the vehicles for delivering education and training to business, government, and industry. The primary intent of this paper is to:

- provide a common definition for economic development—a widely used term;
- provide a rationale for linking community colleges with business, government and industry in educational partnerships that enhance the resources of these sectors;
- provide an overview and perspective for community college administrators, faculty, staff and trustees on the past, present and future of contract education;
- highlight the results of a survey conducted by the San Bernardino Community College District on contract practices;
- delineate the definition, advantages, and purposes of contract education; and
- discuss issues and implications for the future of the role of contract education for California Community Colleges.

WHAT IS ECONOMIC DEVELOPMENT?

Today, the term "economic development" is widely used in community college settings. However, it has a variety of meanings dependent upon the audience and who is speaking. A broad-based definition, used by the California Association for Local Economic Development (CALED), is

> "... Economic Development is the process by which human, financial, capital, physical, and natural resources are mobilized to produce marketable goods and services..." (1)

To many, economic development means economic growth. However, it is more complex.

> "... Growth refers to an increase in quantity only. Development, however, implies a change in character or structure. It refers to a qualitative shift in resource use, labor force skills, production methods ... the changes of economic development increase a local economy's capacity to create jobs, income and well-being in the future... " (2)

Steven Glick, Vice President of the Bay Area Council, defines the term for business and emphasizes the community college role:

> "... when I say economic development, I mean any activity that helps employees - both current and prospective - and businesses stay productive and competitive, i.e. training, retraining, employer advisory committees, and the like. As the most extensive educational training resource available to business and industry in the state, the community colleges should be a full partner in California's economic development program..." (3)

The National League for Cities also recognizes the importance of educational partnerships,

> "... this supply of expertise may increase the development or adaptation of advanced technologies, which in turn may increase local sales. . ." (4)

Within the community college sector we find additional references. Chancellor David Mertes, in discussing economic development, refers to the California Community Colleges' goal to

> "... increase the productivity and enhance the knowledge of the state's workforce through coordinated programs and services that help local business and industry... " (5)

The Board of Governors of the California Community Colleges has economic development as a high priority. Scott Wylie, President of the Board of Governors, states,

> "... the Board of Governors is absolutely behind this mission of economic development. We must be out-reaching, competitive and entrepreneurial... " (6)

The 1989-90 California Community College Basic Agenda includes as an immediate objective to "provide leadership in Economic Development", stating that "the California Community Colleges should play a more significant role in strengthening the economic development of California." The 1988-89 Basic Agenda, under the heading of Vocational Education and Retraining, indicated

> "... the rapidly increasing rate of technological change demands that community college in-service training capabilities be sufficient and flexible enough to respond both to the needs of older, employed students and to the special requirements of local business and industry... " (7)

The California State Legislature's interest in the economic development role of the community colleges is evidenced by Assembly Bill 3938 (Farr, 1984) which created a Contractual Education Task Force. The bill stated that,

> "... The community colleges should be a major partner in the economic development activities of the State of California..." (8)

Nineteen other recommendations were made by the Task Force, all related to the importance of economic development and contract education.

More recently, Assembly Bill 462 (Hayden, 1989) which, if passed, will implement many of the recommendations from the Joint Committee for Review of the Master Plan for Higher Education's final report, "California Faces - - California's Future: Education for Citizenship in a Multicultural Democracy," references economic development when it states,

> "... each governing board of the segments of California's higher education shall develop plans and programs to assure the widest and most appropriate participation of faculty, staff, and students in local, regional, and statewide economic development initiatives..." (9)

In summary, California's community college involvement in economic development refers to the efforts of colleges to enhance the processes by which public and private sectors mobilize to produce marketable goods and services through specific educational linkages with business, government and industry.

WHY SHOULD COLLEGES BE INVOLVED?

Community colleges are a $2.5 billion resource to public and private sector business in the state of California; they play a very important role in meeting the training and development needs of our economy. Educational partnerships for economic development suggest a vital new role for California's community colleges and provide a contemporary view of what the word "community" in the title means.

Douglas Burris, Deputy Chancellor, California Community Colleges, challenged local community colleges in a speech (April, 1989)

> "... the role of the community college is expanding, as a necessity, well beyond what we ever dreamed. Our future may depend on the ability of the community colleges to rise to the challenge..." (10)

Similarly, Wade Gilley in "Issues in Higher Education and Economic Development" (1986) also affirmed that,

> "... In the new, rapidly emerging economy, higher education's responsibility is more critical than ever before.

In fact, if the tremendous resources of our colleges ... cannot be mustered in support of the knowledge economy, the nation is truly 'at risk'..." (11)

California's employers are looking to community colleges for assistance in coping with California's new demography, global competition, and the retraining of an existing workforce which already represents 75% of those who will be employed in the year 2000. The Stanford Research Institute (SRI) International, in a 1983 study, refers to an unprecedented skills gap in California. Specifically, the modern workplace needs people with higher levels of analytical, communication, interpersonal and problem solving skills. Business, government and industry are increasingly relying on internal employee training programs and community colleges to increase the skills and knowledge base of their workers. Increased productivity and knowedge are the keys to California's economic development and survival.

There are several ways in which community colleges contribute to the productive capacity of a community and economic development; all are linked to the primary mission of the California Community Colleges. As delineated in AB 1725 the primary mission is threefold: transfer education, vocational education and basic skills. The California Legislature's Master Plan for Higher Education, the Basic Agenda of the Board of Governors of the California Community Colleges, and California Community College Chancellor's Office consistently and clearly refer to the two-year colleges' responsibility for economic development as part of their primary mission. Transfer education, vocational education, basic skills instruction and student services are important resources community colleges offer to business, government and industry.

One of the major components of the partnerships between community colleges and the economic sectors is contract education. The remainder of this paper is devoted to a discussion of this major community college initiative.

WHAT IS CONTRACT EDUCATION?

Through contract education, community colleges are entering into partnerships with business, government and industry at the worksite in order to assist with employer training and the educational needs of their employees. The California Administrative Code, Title V definition of contract classes is contained in section 58250 which states,

> "... 'Contract classes' means those classes which a community college district offers in fulfillment of a contract between itself and a public or private agency, corporation, association, or other body or person... "

The Legislature's 1986 Contractual Education Task Force Report states:

> "... the term 'contract education' or 'contract instruction' should be used by the Legislature and the Chancellor's Office to refer to those situations in which a community college district contracts with a public or private entity for the purposes of providing instruction and/or services by the community college... "

As colleges and businesses contract for education and training, it is apparent that employers need to provide general education, basic skills, applied technologies and customized training programs. Therefore, contracting efforts may cover any aspect of our college curricula.

A key to successful educational partnerships is the ability of contract education to be flexible. Generally, employer-based education and training is contracted in one of the following ways:

1. Employer funded credit courses from the published college catalog; referred to as **closed credit.** In this case, an employer would carry the full cost of the credit course which would not be open to the public. This course would follow Title V standards and would not generate apportionment revenues (ADA). Due to employer requirements regarding "internal security" this arrangement is sometimes desirable.

2. ADA (Average Daily Attendance)* funded credit courses from the published college catalog, referred to as **open ADA**. Open ADA courses must be open to the community at large and appropriately advertised.

---

*The formula by which community colleges are funded for credit and non-credit clases; based on Weekly Student Contact Hours.

3. **Certificate and degree programs** offered on a closed credit or open ADA basis by some employers in the state. For instance, Pacific Bell offers an accelerated AA degree program for their employees.

4. **Not-for-credit customized training** funded by the employer. Curriculum development time, materials, facilities, and supplies determine the appropriate fees; colleges recently surveyed charge from $60 to $125 per hour. Non-credentialed instructors may be utilized in this mode, thereby enabling instructors from industry as well as from colleges to provide training.

5. **Special topic or umbrella courses** are offered as closed or open ADA classes. Many colleges include these credit courses as part of their regular curriculum. They are often available in a variable unit format (half unit to four units or more), and thereby provide flexibility for businesses.

6. **Non-credit** refers to courses that meet apportionment pursuant to Section 74711 of Title V of California Administrative Code. It should be noted that non-credit courses are offered under very specific guidelines and are funded at a reduced ADA rate. They are rarely, if ever, used in contract education.

In meeting the education and training needs of employers in the aforementioned ways, contract education provides flexibility in hours, location, days and curriculum. Business, government and industry communities find this delivery system efficient and effective.

SURVEY OF CONTRACT EDUCATION

The current status of contract education in California's community colleges was recently surveyed by the San Bernardino Community College District (March 1989). A short questionaire was sent to 107 community colleges in California requesting information on the practice of working with employers to provide training for their employees. Eighty-nine colleges replied, for a response rate of 84%.

Highlights of the survey are:

- seventy-eight percent of the colleges indicated they were contracting with outside agencies;
- contract education is a relatively new phenomenon—47% indicated their programs were less than five years old;
- while the majority of colleges contract with less than 15 businesses, four colleges have contracts with over 50 agencies and two of those serve over 100 businesses;
- the majority of colleges enroll less than three hundred students; however, nine colleges serve over 1000 students;
- the most popular courses are remedial English, remedial Math, technical and management development;
- 78% report that full-time faculty participate in the program.

Results of the San Bernardino CCD survey are attached as Exhibit 1.

BENEFITS OF CONTRACT EDUCATION

There are a number of advantages in linking community colleges with private and public sector employers in training and education. Benefits accrue for:

Community Colleges
Business, Government, and Industry
Employees/Students

Community College Benefits from Contract Education

Community college gains have been documented in a national study of 277 community college contact education programs. The study lists them as follows:

"1. The opportunity to fulfill the community college mission by meeting the training needs of the business community

2. Improved relationships. Community college participation with business and industry provides benefits that transcend an individual contract.

3. The opportunity to provide "real world" contact for community college faculty involved in preparing students for careers in business and industry.

4. Increased opportunities for curriculum development.

5. Improved job placement opportunities.

6. Donation of equipment to the college.

7. Increased revenue to the college in times of enrollment decline and decreased public funding.

8. Increased visibility resulting in greater community support and increased enrollments in "regular" courses.

9. Beneficial public relations through newspaper articles, television coverage and media features." (AACJC Journal, March 1985) (12)

In addition, faculty have the opportunity to apply their expertise in a variety of settings outside the usual college environment. Faculty often report feeling enriched by this professional excursion into the world of business.

Business, Government and Industry Benefits From Contract Education

"An Employer's Guide to Working with Community Colleges in the Bay Area" provides evidence that the business community considers community colleges to be an important educational partner:

- "California's 106 community colleges are the largest postsecondary educational system in the world, serving 1.2 million students annually.
- The colleges have an enormous education and training capacity.
- Out of 78,000 courses offered statewide ... more than 32,000 were in occupational education.
- They increasingly serve those already in the workforce.
- Community colleges can custom-tailor training to employer needs.
- Of the employers who contracted with community colleges in the state between 1982 and 1985, about 88% said the training effectively met their needs, and 98% said they would work with the colleges again (Arthur Young & Co., 1986).
- In addition to training, the colleges offer an array of other services, e.g. colleges can help employers assess employee skills, screen candidates for employment, and counsel employees on career development.
- They often can provide customized training more cost-effectively than outside vendors or internal corporate training operations.

- Community colleges help achieve economies of scale - they bill employers for customized training by the instructional hour, rather than per trainee, as proprietary schools tend to do." (Bay Area Council, September 1988, pp. 9-10) (13)

In addition, community colleges are flexible and service-oriented when working with business, government and industry. They ensure a quality teaching and training faculty, and provide the reputation of an experienced, quality educational organization. California's 107 community colleges are geographically situated in every major community and are a $2.5 billion statewide resource for business and industry education and training.

Employee/Student Benefits From Contract Education

Advantages to contract education from an employee/student perspective include:

- The location and hours are convenient and the employer often supports employee time and expenses.
- Employers know that the employee is developing skills beneficial to the organization.
- Employees find worksite education and training an excellent way to begin and continue a college education.
- Employees ensure career status by maintaining up-to-date technical skills.
- Employee development rejuvenates the workforce and is valued by employees.

ISSUES, IMPLICATIONS, AND FUTURE CONSIDERATIONS

The benefits accruing to all participants in educational partnerships support the growth of contract education as a method of delivering the community colleges' mission to business, government, and industry. However, the growth of contract education raises a number of issues as the California Community Colleges proceed with contract education and other economic development initiatives. They are:

Course Quality and Integrity

In a contract with business, industry and government, colleges may adjust the format of the courses. College administrators and faculty will need to be involved in a review of the offerings to ensure that the changes do not adversely impact course quality and the academic integrity of the courses, particularly those offered as regular credit bearing courses. College staff who are responsible for developing contract courses will find it necessary to work closely with those involved in the curriculum review and approval processes on local campuses and districts.

Coordination and Unity

As the colleges' contributions to economic development continue to receive more attention statewide, it will be more important that the California Community Colleges speak with one voice to business, government and industry, particularly with regard to statewide policy and procedures surrounding economic development activities. Colleges, professional associations and the Chancellor's Office will gain influence by working together to develop policy recommendations and statements, and a focused direction for the future of contract education.

Faculty Compensation

Regular college courses that are taught through contract education will fall under collective bargaining agreements. As local colleges become involved in contract education, salary guidelines for customized training will need to be developed at the local level.

Cap on Growth

Currently, the California Community Colleges have a "cap" on the level of funding support that will be given for growth in their ADA. The growth limits may have an impact on the ability of the colleges to respond affirmatively to requests

from business, government and industry for credit (ADA-generating) offerings. Courses that are supported entirely by the contractor are not counted towards the apportionment and therefore do not count against the cap. However, for those courses that are offered in response to specific requests from business and are used to generate ADA, consideration should be given to developing a statewide policy that would exempt those courses from the growth cap. As the funding formulas for colleges move from an ADA-based to a program-based model established by AB 1725, the methods of providing support for contract education and other non-traditional course formats may need to be reviewed. In the meantime, initiatives to provide relief to growing districts are being discussed in the Chancellor's Office and legislature.

Interdistrict Offerings

At times, the requests of businesses and industries have meant that colleges would offer courses outside of their districts. In order to maintain cooperative relationships between college districts, and to be able to meet the needs of business, government and industry, districts may consider developing agreements between themselves for interdistrict offerings.

ED>Net, the Economic Development Network for California Community Colleges, is assuming a coordinating role in developing interdistrict agreements and is providing models for those colleges offering courses outside of their district.

Start-Up Funds

Many community colleges have not been able to begin contract education programs because of limited fiscal resources. Districts which have started programs to date have had to use district funds to start these programs and have found that after several years the programs are able to support themselves. However, many smaller colleges do not have the funds to do this. Start-up funds and technical assistance should be provided by the Chancellor's Office in order to have a strong, viable statewide system in which all community colleges can participate.

CONCLUSION

The future of the economy of California depends in large part on the community colleges and private/public sector employers' ability to combine community resources in the quest for continuing economic development. Without educational partnerships for economic development, the sixth largest economy in the world — California — is at risk. Through an educated, highly skilled and competitive workforce our state will continue to thrive and sustain a vital economy. Educational partnerships with community colleges have proven to be a source for obtaining a strong workforce. California's community colleges are accepting the challenge of their vital role by establishing educational partnerships with business, government, and industry for the economic development of California.

REFERENCES

(1) Economic Development Handbook - A Guide for Local Officials, 2nd Edition, June 1988.

(2) Economic Development: What Works In the Local Level. National League of Cities, December, 1988.

(3) Glick, Steven. "CEO Support for Occupational Education/Economic Development." Speech to CEO's California Community Colleges, Monterey, CA, May, 1989.

(4) Op cit National League of Cities, December, 1988, Ch. 2, p. 19.

(5) Mertes, David. "State Chancellor's Message." Ed Net, Vol. 1 No. 1, March 1989.

(6) Wylie, Scott, President, California Community College Board of Governors. Keynote Address, First Annual Ed Net Conference, May 1989.

(7) Board of Governors, California Community Colleges, "1988-89 Basic Agenda," p. 8.

(8) Study of Contractual Education Programs in the California Community Colleges, June 1986.

(9) Assembly Bill 462 (Hayden), 1988).

(10) Burris, Douglas, Keynote Address, First Annual ED>Net Conference, May 18, 1989.

(11) Gilley Wade. Higher Education and Economic Development: A Symbolic Relationship. Issue in Higher Education and Economic and Development, 1986, Ch. 11, p. 81-88.

(12) AACJC Journal, March 1985.

(13) Bay Area Council. An Employers Guide to Working With Community Colleges In The Bay Area, September 1988, pp. 9 and 10.

EXHIBIT 1.

SURVEY OF CALIFORNIA COMMUNITY COLLEGES

INVESTIGATING PRACTICES RELATING TO CONTRACT EDUCATION

Conducted for
the
CACC Commission on Instruction

Office of Planning/Research
San Bernardino Community College District
Dr. Norman D. Smith
March, 1989

PRODECURE

A short questionnaire was sent to 106 community colleges in California requesting information on the practice of working with business, industry, and other agencies to provide training for their employees. Eighty-nine replies were received for a response rate of eighty-four percent.

PROGRAMS IDENTIFIED

Of those who responded, sixty-nine colleges (78%) indicated that they were contracting with outside agencies to provide educational services. Twenty colleges (22%) indicated that they were not offering such a program. Of that twenty, seven colleges indicated that another college in their district was responsible for contracting educational services.

AGE OF PROGRAM

Contracting with business and industry is a relatively new experience for most of the colleges who responded. Forty-seven colleges (68%) indicated that their programs are less than five years old. Thirteen colleges (19%) stated that they have operated a program for six to ten years, and seven colleges (10%) have had programs in excess of ten years.

Years of Experience

Table 1

Year	Number of Colleges	%
1 - 5	47	68
6 - 10	13	19
11 - 15+	7	10

NUMBER OF CONTRACTS

The colleges reported a wide range in the number of businesses or other agencies with whom they contract. The majority of colleges contract with less than fifteen businesses or other agencies per year.

Contracts

Table 2

Number of Contracts	Number of Colleges	%
1 - 5	24	35
6 - 10	15	22

Table 2 (continued)

Number of Contracts	Number of Colleges	%
11 - 15	11	16
16 - 20	6	9
21 - 50	7	10
51 - 100	2	3
101+	2	3

ENROLLMENT

The number of students enrolled in contracted programs encompasses an even wider range than the number of contracts. The majority of colleges enroll less than three hundred students. Most of the larger programs are located in urban area colleges which contract with large industrial plants.

Enrollment

Table 3

Number of Students	Number of Colleges	%
1 - 100	22	32
101 - 200	10	14
201 - 300	12	17
301 - 400	2	3
401 - 500	5	7
501 - 600	2	3
601 - 700	1	1
701 - 800	1	1
801 - 900		
901 - 1000		
1001 - 2000	6	9
2001 - 3000		
3000+	3	4

CONTRACT vs ADA

Contracted classes may be offered exclusively for a particular agency when the costs are covered by the agency or for state apportionment (ADA) if the class is open to all students. Sixty-two percent of the responding colleges contract exclusively with a particular business or industry. Thirty-three percent claim state apportionment. This division is not mutually exclusive and some offer classes using both methods. Only ten of the twenty-three colleges who reported using the ADA method estimated the amount of state apportionment earned. Estimates ranged from 12 to 250 ADA with the majority of responses in the 12-20 ADA range.

KINDS OF OFFERINGS

The kinds of courses which are offered are only limited by the imagination. Most colleges will offer any legitimate course for which the company is willing to pay or which is eligible for state apportionment. The most popular courses are those suggested in the questionnaire: Remedial English (39%), Remedial Math (36%), Technical (78%), and Management Development (78%). Other courses which were listed as popular offerings were courses fulfilling requirements for a degree in Business, and Business English, Chemistry, Computer Science/Word Processing, CPR/EMT, Cross-Cultural Communications, Early Childhood Development, ESL, Fire Science, First Aid, General Education courses, Health professions, Hospitality, Nursing, Office Skills, Personnel, Physical Fitness, Physics, Safety, Spanish, and Vocational Assessment. Several colleges attached very attractive brochures advertising their offerings.

FACULTY PARTICIPATION

Seventy-eight percent of the respondent colleges report that their full-time faculty participate in contract instruction. Twenty-two percent do not use full-time faculty. Only fifteen colleges report that full-time instructors may be assigned to contracted classes to complete a "load." In all cases this is voluntary and each college reports that this is only rarely done.

COMPENSATION

Most instructors, eighty-six percent, are paid on an hourly basis. Some are paid a percentage of the contract, others on a rate-per-unit scale. Hourly rates range from $15 per hour to $54 per hour, with the majority falling into the $25-44 range. Many colleges reported that their hourly rate is the same as the on-campus hourly rate.

Rate Per Hour

Table 4

Rate per Hour	Number of Colleges	%
$15 - 24	6	9
25 - 34	30	43
35 - 44	17	25
45 - 54	4	6

COLLECTIVE BARGAINING

Colleges generally have not specifically addressed contract instruction in their collective bargaining contract. Only seven colleges (10%) report specific contract language, as opposed to fifty-five (80%) who do not. Only six colleges (9%) report any opposition to contract instruction from a faculty or union group.

There does not appear to be any organized opposition to contract instruction. Those who did report opposition suggest that it revolves around the issues of loss of control for off-site classes; salary issues (some pay more than the regular hourly rate, some pay less than the regular hourly rate, both cause problems); assignment problems related to seniority; perceived competition with on-campus classes; and one college notes that there was opposition when the program was based at the district level but now" it is college-based and the opposition is gone.

ADVANTAGES

Respondents were given the opportunity to list the good things they have discovered through contracted instruction. Those responses are listed here. The themes which emerge relate to improved relationships with the community, curriculum relevancy and the need to stay current, income generation, and the flexibility of tailoring a course to meet a specific need.

1. Non-credit flexibility for short-term courses under the general subject approved by the State. Can satisfy the practical as well as the immediate. No worrying about meeting specific curriculum requirements of degree and transfer programs.

2. With non-ADA contracts, can generate funds without bumping into ADA cap.

3. Reaches the business community as a practical assist to upgrading employee skills.

4. Flexibility to provide small group instruction to business and industry. Ability to generate supplemental funds for instructional support.

5. Partnership with industry, cross pollination college/industry, community service, dollars and donations to the college.

6. Modest income; serving the economic development needs of our business community; serving staff development needs for local businesses.

7. Outreach to businesses in the District plus the opportunity to provide a service that has value and fulfills a community's needs.

8. Keeps our programs relevant. Allows sharing of equipment & facilities. Provides an opportunity to keep abreast of "state-of-the-art" technology.

9. Is appropriate instructional service within the community. Is excellent linkage to business & industry for further partnerships of benefit to both.

10. We can more accurately address business, industry and community needs.

11. Improves working relationship with local firms, helps keep staff at College up to date, can generate income and equipment; donation to college.

12. Services/programs specifically designed for and offered in the Business/Industry/Agency communities. Industry-standard course development. Exposure of faculty to Business/Industry world. Income for the college above ADA cap.

13. Visibility in community; additional revenue; industry exposure for our FT instructors; increased ability to meet community needs—economic development.

14. The Office of Contract Education is housed together with the college's Small Business Assistance Center and with the TriCounties Economic Development Corporations in the same office in downtown Chico. We assist each other. One stop shopping for the local business person who wants any number of business support services.

a. Additional income source
b. Extension of college into business community
c. Involvement of new students in college program (regular credit)

15. Flexibility to serve business & industry.

16. Immediate response to identified needs.

17. Builds solid network with business & industry.

18. Allows the college to provide a service at a military base.

19. Improved relationships with business industry, increased revenue to college, opportunity for curriculum development, faculty contact with "real world" of business/industry.

20. DVC is able to service the surrounding business & industry thereby developing an additional profile to the community.

21. If the District reaches the ADA cap, it is one way to generate additional income.

22. Good P.R. for the District.

23. Ability to respond to needs of business, industry, community

24. Quick response.

25. Community relations.

    a. Positive relationship with local business/industry or government agency.
    b. Recruitment of students into other college courses.

26. Additional funds; recruitment.

27. Relations with community/industry.

28. Curriculum relevancy, community relation, upgrade citizens of community, make business & industry more productive.

29. Contract education provides yet another service we can provide to business & industry. It provides an alternative method of delivering instruction when ADA is not possible.

30. Business labor linkages, extra income, staff development.

31. Continuing to serve the needs of the community by making ongoing education available at the worksite so that employees may continue to upgrade, retrain and advance existing workskills so that they may continue to be competitive in the workforce.

32. Gaining a larger community profile, income potential, partnerships in economic development.

33. It is simply one more avenue by which a community college may serve the community.

34. Flexibility in curriculum, scheduling, and registration.

35. Increased visibility and credibility of college.

36. Increased partnerships with business and industry.

37. Opportunity to carry out community college mission to serve a broader-based community.

38. Opportunity for campus to meet the needs of people who would not have come to the campus for classes.

39. Positive public relations aspect and additional funds to college and division involved in providing training.

40. Service community, public relations, visibility.

a. Can provide services when we are in an overcap situation.
b. Flexible - can tailor it to needs of consumer.

41. New way to serve the educational needs of business, industry, government. Another way to generate income. Chance for faculty to experience the issues currently failing industry.

42. The faculty perceives contract education as a great public relation tool. They appreciate the business/local input.

43. Positive relationship with industry.

44. The college is seen as responsible by local industry. We've been able to recruit advisory committee members.

45. Staff development, P.R. community contacts, money into programs, community needs are uncovered.

46. Improves relations with employers; demonstrates responsiveness to community need; exposes instructors to "real world"; earns money for college.

47. Service to business & industry; quick response; ability to provide employer specific training tailored to their needs; Cap not a problem.

48. It affords instructors a way to increase income without affecting campus budget. It also generates a lot of extra funds for Special Programs.

a. Developing closer linkages to business & industry.
b. Responding to immediate and changing needs in business and industry.

49. Time, amount of contract to cover costs, marketing contact classes.

50. Improve ties with business, industry, labor, and community organizations.

51. College name recognition - marketing, attract ADA students. Important source of income. Partnerships with industry. Source of donations.

52. Improved business community relations; increased pool of targeted ADA, increased income; inservice training for faculty.

53. Allows delivery of services with maximum flexibility and little constraint.

54. Extends courses or training to the business site. Provides low cost quality training to community.

55. Helps to supplement regular college budget.

56. Improves public relations with the business community, keeping instructors and curriculum up to date with business needs and the state of the art, Increased revenue for instructors and the district.

57. Good PR with business community; an opportunity for faculty members to get out into industry; adds to college's community role.

58. Use other's facilities for lab situation.

59. Connection with "real" world, improved relationships and visibility, revenue.

60. Enables us to serve some constituents who would not otherwise have access to our resources. Improves college-business relations.

61. Contact with community segments otherwise not connected to the college. Good for college image in community and for exposure of teachers to new needs, technologies.

62. It's an efficient way to meet community needs for specific classes.

DISADVANTAGES

Listed disadvantages suggest problems with logistics and communications. A great deal of time is required to put together a program. Businesses may expect the college to respond more quickly than the college is able to do.

1. If the contract program is processed through the established Business Division, the contract program has the possibility of running a poor second behind the established on campus programs. This simply is because there often is no incentive to get out from the comforts of the campus.

2. Logistics re: accounting and payroll are time consuming, needs a separate managerial/administrative body.

3. Very time-consuming, money restriction on what is permissible when offered for ADA, college is not able to respond as quickly as business community would like due to board approval process.

4. The quick fix expectations by some industries can put a strain on the instructor and the department he/she represents.

5. Increases college workload: proposals, management, billing, off-site registration, etc.

6. Need to be very selective and make certain a given program is of specific benefit to the college.

7. Sometimes there is not sufficient time to be immediately responsive to requests. Not enough college staff devoted to development of this thrust.

8. There is little or no formal remuneration formula for this non-traditional educational delivery system as far as the state is concerned. Because of the lack of formal identity in the state system, the function is financed on a shoe string.

9. Additional competition for scarce resources.

10. Start-up time leading to self-sufficient program requires institutional funds - difficult in times of short funds.

11 Additional work.

12. Contrary to many existing patterns - namely semesters.

13. The amount of staff time required to serve this segment of the community is out of proportion with the staff time required to serve "regular" students.

14. We might offer contract instruction for ADA - thereby better serving those companies unable to pay our fee for services - if the cap on ADA were lifted or if there were additional funding available for this purpose.

15. Fear of competing with regular college division classes for available area students.

16. Very time consuming.

17. Communication keeping everyone informed is often difficult.

18. Time consuming to set up.

19. Causes pressure to change and respond more quickly to the customer's needs.

20. Requires additional administrative/coordinative work (special arrangements, curriculum, etc.).

21. Time and increase of staff required to run a large contract education program.

22. Cost-contract must cover costs.

23. Distance involved.

24. Difficult to respond to immediate needs of business.

25. Time consuming to initiate and implement.

26. Time consuming, not yet lucrative fiscally.

27. Logistics are sometimes difficult - on-site registration, etc.

CACC QUESTIONNAIRE

CONTRACT EDUCATION

For the purposes of this study, contract education is defined as a course or program of courses, typically offered at the work site, for the employees of a business, industry, or other agency. Contract education may be for credit or offered on a fee-for-instruction basis.

College Name _____

1.Does your college have a contract education program which fits the definition above?

[ ] Yes [ ] No

(If "Yes", please continue. If "No", you need go no further, but please return the form.)

2. How long has your program been in existence?

_____year (s)

3. With how many business:, industries, or other agencies do you typically contract in a year?

_____

4. Approximately how many students were enrolled in your contract education courses during the last year?

_____

5. Do you offer contract instruction for credit for which you also claim ADA?

[ ] Yes [ ] No Approximate ADA generated _____

6. What kinds of courses do you typically offer?

Remedial English_____Management Development_____
Remedial Math_____Other (Specify)_____
Technical_____

7. Do your full-time faculty members participate in contract instruction?

[ ] Yes [ ] No

8. Are full-time instructors ever assigned to contract instruction classes to complete a load? Yes [ ] No [ ]

If yes, is this on a voluntary basis? [ ] Voluntary [ ] Involuntary

Remarks _____

_____

9. How are contract education instructors paid?

[ ] Contract [ ] Hourly [ ] Other

10. What is your typical hourly rate paid to the instructor for contract education classes? $_____

11. Is contract instruction addressed in your collective bargaining contract?

[ ] Yes [ ] No

(If yes, please attach contract provisions.)

12. Has there been opposition to contract instruction from your faculty union or another group?

[ ] Yes [ ] No If yes, please explain briefly_____

_____

_____

13. From the college viewpoint, what are the advantages of a contract education program?_____

_____

_____

Disadvantages_____

_____

_____

14. I would like to receive a copy of the findings of the study.

Name_____

Title/Department_____

College_____

Address_____

NOTES

CALIFORNIA ASSOCIATION OF COMMUNITY COLLEGES

NAME _____

TITLE _____

COLLEGE _____

ADDRESS _____

INDIVIDUAL ISSUE ORDER
COMMUNITY COLLEGE ISSUES, VOLUME 2 NUMBER 1

ECONOMIC DEVELOPMENT AND THE ROLE OF COMMUNITY COLLEGES:
CONTRACT EDUCATION IN REVIEW

NUMBER OF COPIES DESIRED _____
(@ $6.00 EACH FOR 1-5 COPIES, @ $5.00 EACH FOR 6 OR MORE COPIES)

TOTAL COST $_____(NUMBER OF COPIES X $6.00 OR $5.00)
_____PAYMENT ENCLOSED _____PLEASE BILL

SIGNATURE _____

Please make check payable to CACC PRESS, and return with completed order form to:

COMMUNITY COLLEGE ISSUES
CACC PRESS
CALIFORNIA ASSOCIATION OF COMMUNITY COLLEGES
2017 "O" STREET
SACRAMENTO, CA 95814

CALIFORNIA ASSOCIATION OF COMMUNITY COLLEGES

OFFICERS:

Roberta L. Mason, Member, Board of Trustees, Lake Tahoe Community College District
Peter R. MacDougall, President and Superintendent, Santa Barbara Community College District
Patricia G. Siever, Professor of History, Los Angeles Pierce College

DIRECTORS:

Peter Blomerley, President and Superintendent, Fremont-Newark Community College District
George Boggs, President and Superintendent, Palomar Community College District
Barbara Davis, Professor, Social Science Division, Sacramento City College
Sandy Lydon, Instructor of History, Cabrillo College
David Lopez-Lee, Member, Board of Trustees, Los Angeles Community College District
Diana Lockard, Member, Board of Trustees, Citrus Community College District
Deanna Moore, Student Trustee, Rio Hondo Community College District
Victoria Taylor, Student Trustee, Rancho Santiago Community College District
Ronald Moore, Academic Senate President, Peralta Community College District
Alan Wong, Member, Board of Trustees, San Francisco Community College District

STAFF:

Ernest H. Berg, Interim Executive Director
Cindra J. Smith, Associate Executive Director
Walter C. Rilliet, Commissioner of Athletics
Rita M. Mize, Director of Governmental Affairs
Jennifer L. Robertson, Director of Public Information Services
Ronald E. Richardson, Administrative Assistant/Athletic Post-Conference Competition
Denise L. Henrikson, Manager Fiscal Services
Debra A. Wheeler, Secretary to the Commissioner of Athletics
Janet R. Lemelin, Secretary to the Associate Executive Director
Leslie D. Leder, Secretary to the Director of Governmental Affairs
Angella M. Glosson, Secretary/Receptionist